

Message Text

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ACTION NEA-12

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-02 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-12 IO-13

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XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 STR-08

CEA-02 /178 W

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R 291630 Z JUN 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 5283

INFO AMEMBASSY COLOMBO

AMEMBASSY KATHMANDU

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

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E. O. 11652: N/ A

TAGS: PINT, IN

SUBJ: DOMESTIC POLITICAL SITUATION: DETERIORATING STATE
POLITICS

REF: NEW DELHI 6890, 6451, 4366

SUMMARY: THE WEAKENED ECONOMY AND DECLINING POLITICAL
STRENGTH OF MRS GANDHI HAVE CONTRIBUTED TO FALL OF FIVE
STATE CHIEF MINISTERS SINCE JANUARY. BIHAR AND GUJARAT
LATEST TO FALL AND OTHERS MAY BE IMMINENT. INTERNAL CONGRESS
PARTY FACTIONALISM MAIN CAUSE. POWER AND PRESTIGE OF PM
NO LONGER SUFFICIENT TO MAINTAIN LOCAL LEADERS WITHOUT
THEIR OWN POWER BASE. MRS GANDHI CAUGHT IN DILEMMA
BETWEEN (A) ACCEEDING TO LOCAL POLITICAL POWER BROKERS; (B)
ATTEMPTING IMPOSE NEW STATE LEADERS WHO ALSO LIKELY TO FALL
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IN SHORT TIME, OR IMPOSITION OF CENTRAL CONTROL (PRESIDENT' S RULE). UNCERTAIN WHETHER LOCAL STATE FACTION LEADERS ABLE TO GOVERN SOME STATES EVEN IF MRS GANDHI WERE TO GIVE THEM THEIR HEADS. CONSEQUENCE IS WEAKENED POLITICAL LINES OF CONTROL AT PRECISELY TIME WHEN ECONOMIC PROBLEMS DEMAND FIRM AND EFFECTIVE LEADERSHIP AND SUPPORT IN STATES FOR THE CENTER. SOLUTION AT THIS POINT NOT VISIBLE. END SUMMARY.

1. FALL OF BIHAR CHIEF MINISTER, KEDAR PANDEY, JUNE 24 AND OF GUJARAT CHIEF MINISTER, GHANSYAM OZA, JUNE 27 RAISES TO FIVE THE NUMBER OF CONGRESS STATE CHIEF MINISTERS ORIGINALLY NOMINATED BY MRS GANDHI WHO HAVE BEEN FORCED TO RESIGN AS RESULT INTERNAL CONGRESS FACTIONAL INFIGHTING SINCE BEGINNING OF THIS YEAR. ONLY IN THE CASE OF ANDHRA DID ACTUAL POLICY ISSUES PLAY A MAJOR ROLE IN THE FALL OF THE GOVERNMENT. IN ORISSA AND UTTAR PRADESH, AS NOW IN GUJARAT AND BIHAR, THE COLLAPSE OF THE CHIEF MINISTERS REFLECTED ONLY THE UNWILLINGNESS OF A MAJORITY OF CONGRESS PARTY LEGISLATORS TO GO ALONG WITH A PARTICULAR INDIVIDUAL ON FACTIONAL GROUNDS, AND POLICIES AND ACTIONS ONLY PROVIDED PRETEXTS. AS WE HAVE COMMENTED IN EARLIER MESSAGES, THIS REFLECTS IN LARGE MEASURE THE FACT THAT THE CHIEF MINISTERS MRS GANDHI NOMINATED, AND WAS ABLE IN SOME CASES VIRTUALLY TO IMPOSE ON THE STATE CONGRESS ORGANIZATIONS IN 1972 AS A RESULT OF HER PERSONAL PRESTIGE AND ELECTION VICTORY IN 1971, HAD LITTLE POLITICAL POWER IN THEIR OWN RIGHT. IN SOME STATES, THE DIVISION AMONG CLAIMANTS TO POLITICAL POWER WAS SO SEVERE THAT THE CONGRESS ORGANIZATION WELCOMED THE DESIGNATION OF A LEADER BY MRS GANDHI. IN OTHERS, SOME CONGRESS LEADERS FELT THAT THEY COULD HAVE COME OUT ON TOP HAD MRS GANDHI NOT PREEMPTED THEIR CLAIMS. THESE RESENTED THE UNDERCUTTING OF THEIR POSITIONS AND WHAT THEY ACCURATELY SAW AS AN EFFORT BY THE PRIME MINISTER TO ASSERT INCREASINGLY DIRECT CONTROL OVER STATE POLITICS AND POLICIES.

2. PANDEY' S DEFEAT IN BIHAR WAS OVERWHELMING (79 TO 153); OZA' S DEFEAT WAS EXTREMELY NARROW (70 OUT OF 139). IN BOTH INSTANCES, HOWEVER, THE ALTERNATIVES OPEN TO MRS GANDHI ARE SLIM: SHE CAN TRY TO FIND SOME NEW CANDIDATE UNIDENTIFIED WITH ANY OF THE EXISTING FACTIONS, AND RISK HAVING A NEW GOVERNMENT DEFEATED IN A SHORT TIME (ASSUMING IT COULD GAIN ENOUGH SUPPORT TO ASSUME OFFICE AT ALL); PICK ONE OF THE MAIN LIMITED OFFICIAL USE

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FACTION LEADERS TO FORM A GOVERNMENT, AND RISK GOING BACK TO THE " OLD POLITICS" SHE HAS BEEN TRYING TO ELIMINATE SINCE THE SPLIT IN CONGRESS IN 1969; OR IMPOSE PRESIDENT' S RULE IN ORDER TO KEEP A FIRM HAND ON THE STATE SITUATIONS WHILE SHE AND HER LIEUTENANTS TRY TO BRING SOME NEW AND ACCEPTABLE POLITICAL FORCES INTO PLAY.

3. IN BIHAR THE CONGRESS THREW UP ITS COLLECTIVE ARMS AND APPEALED TO MRS GANDHI TO SUGGEST ANOTHER LEADER SINCE THE PARTY IS SO RIVEN WITH DISSENTION IT IS UNABLE TO MAKE THE CHOICE ITSELF. THE BEST CANDIDATE, CENTRAL RAIL WAY MINISTER L. N. MISHRA, WAS SO DUBIOUS OF THE PROSPECTS FOR SUCCESS OF ANY GOVERNMENT IN BIHAR THE HE BITTERLY RESISTED THE EFFORTS OF HIS FRIENDS (AND ENEMIES) TO PROMOTE HIM AS CHIEF MINISTER. INSTEAD, MRS GANDHI ON JUNE 29 TAPPED ABDUL GAFOOR, AN OLD- TIME CONGRESSMAN WITH NO POLITICAL FOLLOWING, AS CHIEF MINISTER. GAFOOR IS LIKELY TO BE LOYAL TO THE PM; AS A MUSLIM, HIS SELECTION MAY HELP TO PLACATE THE BIHARI MUSLIMS WHO (ALONG WITH MUSLIMS IN MANY PARTS OF THE COUNTRY) HAVE BEEN VERY UNHAPPY WITH THE AMENDED ALIGARH MUSLIM UNIVERSITY ACT WHICH LARGELY SECULARIZED THE UNIVERSITY; AND AS A NON- HINDU, HIS SELECTION AVOIDS THE EXCEEDINGLY COMPLEX CASTE ALIGNMENTS AMONG THE HINDU POPULATION. BOTH L. N. MISHRA AND PANDEY HAVE PLEDGED THEIR SUPPORT TO GAFOOR BUT IT IS DIFFICULT TO ENVISAGE HIM LASTING VERY LONG. PRESIDENT' S RULE STILL SEEMS UNAVOIDABLE BEFORE LONG.

4. THE FALL OF EACH SUCCESSIVE CHIEF MINISTER HAS INCREASED THE PRESSURES ON MRS GANDHI' S OTHER STATE LEADERS.

(A) MYSORE CHIEF MINISTER URS IS UNDER STRONG PRESSURE FROM WITHIN HIS PARTY. INTENSE RIVALRY BETWEEN CASTE FACTIONS WITHIN THE CONGRESS IN THE STATE MAKE IT DIFFICULT FOR THEM TO AGREE ON HOW TO OPPOSE URS WHO, AS A MEMBER OF A SMALL CASTE COMMUNITY, HAS THE ADVANTAGE OF BEING LESS OBJECTIONABLE THAN ANY OTHER CANDIDATE. NEVERTHELESS AS OTHER MINISTERS FALL AND THE ECONOMIC SITUATION REMAINS POOR, THE PROSPECTS FOR THE URS GOVERNMENT APPEAR PROBLEMATIC AT BEST.

(B) FACTIONALISM IN MADYA PRADESH IS BUBBLING AND HAS LIMITED OFFICIAL USE

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SURFACED OPENLY IN THE LAST TEN DAYS. IN ASSAM, RAJASTHAN AND JAMMU AND KASHMIR THE FACTIONS ARE ONLY JUST BELOW THE SURFACE AND IT WOULD TAKE VERY LITTLE TO BRING THE POLITICAL POT TO A BOIL IN ANY OF THESE STATES.

(C) IN WEST BENGAL, CHIEF MINISTER S. S. RAY DOES NOT HIMSELF ENJOY MUCH SUPPORT BUT HE HAS BEEN ABLE THUS FAR TO RECONCILE DIFFERENT FACTIONS AND WORK OUT A SERIES OF PATCHWORK FORMULAS.

(D) IN PUNJAB AND HARYANA THE CHIEF MINISTERS ARE OF THE " OLD" TYPE, FACED WITH CHARGES OF MISMANAGEMENT AND CORRUPTION, BUT ABLE TO KEEP A STRONG BASIS OF POLITICAL SUPPORT AS A RESULT OF SUBSTANTIAL ACHIEVEMENTS IN THEIR

STATES AND THEIR DISPOSITION OF SPOILS.

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(E) IN MAHARASHTRA, THE COMBINED FORCES OF CHIEF MINISTER NAIK AND CENTRAL FINANCE MINISTER CHAVAN REPRESENT A COMPROMISE BETWEEN THE TRADITIONAL POWER BROKERS AND THE TYPE OF FORWARD- LOOKING ADMINISTRATION MRS GANDHI ADMIRES. IF THE PRIME MINISTER COULD FIND A SERIES OF POLITICIANS IN OTHER STATES OF THE CALIBER OF NAIK AND CHAVAN, HER PROBLEMS WOULD BE GREATLY EASED.

5. IT IS LIKELY THAT THE CHIEF MINISTERS ARE FALLING IN PART BECAUSE MRS GANDHI' S OWN POWER AND PRESTIGE IS ALSO WEAKENING AND BECAUSE OF THE MOUNTING ECONOMIC PROBLEMS FACING THE STATE GOVERNMENTS. AS MORE FALL, THE IMAGE OF DECLINING INFLUENCE FROM THE PRIME MINISTER' S OFFICE GROWS EVEN FASTER. MRS GANDHI' S OWN SOCIAL AND ECONOMIC OBJECTIVES ARE NOT GENERALLY SHARED BY THE POWERFUL STATE CONGRESS

POLITICIANS. SHE THUS RESISTS HANDING CONTROL OF THE STATES
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BACK TO MEN WHO WILL SEE THEIR RETURN TO POWER AS PROVIDING
THEM WITH INFLUENCE TO THWART MRS GANDHI' S POLICIES WHENEVER
IT SUITS THEIR LOCAL INTERESTS. MRS GANDHI DOES NOT WANT TO
SEE STATE POLITICS RETURN TO THE TRADITIONAL SYSTEM WHICH
CHARACTERIZED THE FIRST TWENTY YEARS OF INDIA' S INDEPENDENCE

AND WHICH HER FATHER TOLERATED. UNDER THIS SYTEM, THE PRIME
MINISTER AND THE STATE LEADERS DIVIDED THE POWER OF THE COUNTRY;
THE PM INTERFERED LITTLE WITH THE DISTRIBUTION OF POWER IN THE
STATES, AND THE STATE LEADERS SUPPORTED THE NATIONAL AND FOREIGN
POLICIES OF THE PM -- SO LONG AS THESE DID NOT CUT INTO THEIR
OWN SATRAPIES. IF MRS GANDHI ACCEPTS THE OLD SYSTEM, SHE
CAN CONSOLIDATE HER OWN POLITICAL POWER, BUT ONLY AT THE COST
OF HER FREEDOM OF ACTION IN PURSUING HER OWN POLICIES AND
IN " ELIMINATING POVERTY".

6. IT IS THIS WHICH PROBABLY PROVIDES THE MAIN ARGUMENT FOR
FURTHER EXTENSION OF PRESIDENT' S RULE. THE GROUNDS FOR
PRESIDENT' S RULE NOW, HOWEVER, ARE DIFFERENT THAN THEY HAVE
BEEN IN THE PAST : IT IS NO LONGER VIOLENCE OR LACK OF A SINGLE
PARTY MAJORITY WHICH PREVENTS THE FORMATION OF A GOVERNMENT;
IT IS THE INABILITY OF THE MAJORITY PARTY TO PUT ITSELF INTO ORDER
SUFFICIENTLY TO FORM A GOVERNMENT. THE OPPOSITION HAS
COMPLAINED THAT THE IMPOSITION OF PRESIDENT' S RULE IN UP, FOR
EXAMPLE, IS SIMPLY NOT JUSTIFIED UNDER THE CONSTITUTION
SINCE THE BREAKDOWN OF GOVERNMENT WAS NOT CONSTITUTIONAL
BUT INTRA- PARTY. FURTHERMORE, MRS GANDHI MAY BE RELUCTANT
AT THIS TIME TO REENFORCE THE SUSPICIONS OF MANY OPPOSITION
PARTY LEADERS (AND SOME CONGRESSMEN AS WELL) THAT SHE IS
PREPARED TO DISCARD HER OWN PARTY AND MOVE INCREASINGLY
TOWARD AUTHORITARIANISM FROM THE CENTER.

7. SOME OF THESE POLITICAL PROBLEMS MAY BE EASED BY THE
PASSAGE OF THE CONSTITUTIONAL AMENDMENT THE GOVERNMENT
WILL SEEK AT THE NEXT SESSION OF PARLIAMENT TO FORCE THE
RESIGNATION OF MEMBERS OF PARLIAMENT OR STATE LEGISLATURES
WHO DEFY THEIR PARTY WHIP. BUT IF THE RULING PARTY IS UNABLE
TO REACH A POLICY DECISION AND FORMULATE A WHIP POSITION,
EVEN THIS AMENDMENT WILL NOT MEET THE CHALLENGE OF FACTIONAL
POLITICS.

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8. ALL OF THESE PROBLEMS CONTINUE TO BE AGGRAVATED BY THE
VARIOUS OTHER DOMESTIC ECONOMIC AND POLITICAL DIFFERENCES

DISCUSSED IN DELHI' S 4366 AND 6451. THE QUALITY OF THE MONSOON
REMAINS (LITERALLY) UP IN THE AIR, PRICES ARE SOARING, THE
WHEAT PROCUREMENT PROGRAM HAS FLOPPED, AND THERE IS UNCERTAINTY
ABOUT WHAT THE GOVERNMENT WILL DO ABOUT PROCURING RICE
THIS FALL. OUR JUDGMENTS OF APRIL AND EARLY JUNE, THEREFORE,
REMAIN VALID THUS FAR. THE PROBLEMS FACING MRS GANDHI
MOUNT, THE SOLUTIONS ARE NOT VISIBLE AT THIS POINT, BUT THERE
IS NO ONE TO TAKE HER PLACE AND NO OTHER PARTY TO RULE INDIA.
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